Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)
	)
Amendment of the Amateur Service	)
Rules Governing Qualifying	) WT Docket No. 12-283
Examination Systems and Other	)
Matters	)
	)
Amendment of Part 97 of the	)
Commission's Amateur Service Rules	) RM-11629
to Give Permanent Credit for	)
Examination Elements Passed	)
	)
Amendment of Part 97 of the	)
Commission's Rules to Facilitate Use	)
in the Amateur Radio Service of	) RM-11625
Single Slot Time Division Multiple	)
Access Telephony and Data Emissions	)
	)
Request for Temporary Waiver	)
	)
Amendment of the Amateur Service	)
Rules Governing Vanity and Club	) WT Docket No. 09-209
Station Call Signs	)
	)
	)
	)
	)
By W. Lee McVey	)
W6EM	)
PG-12-19879	)
	)
	)
To: The Chief, Wireless	)
Telecommunications Bureau	)
	)
_____	)

ADDENDUM TO COMMENTS

Introduction

A1. In my Comments to the above captioned proceedings, I addressed the possible replacement of vanity fees with a one-time payment, should the Commission choose to adopt a lifetime amateur license grant.[1] I did not provide an example of how an equivalent fee could be calculated or structured to equivalently replace the series of successive, 10-year renewal collections for vanity license holders over a presumed lifetime.

A2. Following is an example for the Commission's consideration, which bases a one-time fee upon the present worth of the initial grant fee and four successive, ten-year renewals. Something selected in light of a 50 year span of licensure as a vanity holder. Since most vanity callsign holders do not request a vanity call on initial licensure, this assumption should approximate a licensure lifetime of 55 to 60 years. Since only the Commission has data to calculate the average vanity licensee lifetime, the proposed method could be modified to fit available data.

---

[1] McVey Comments at 3.

Methodology

A3. The present worth of a future payment is obtained by dividing the future payment by the compound amount factor to bring it back to its present worth or value. Assuming a cost of money of four percent, the compound amount factor for "n" annual periods would be $(1.04)^n$. Where n is 0, 10, 20, 30, and 40, representing the initial payment of fees at vanity license issuance, then with ten, twenty, thirty and forty year renewals. The equation would simply be $P(n) = R(n)/(1.04)^n$. Where P(n) would be the present worth of a future payment R(n).

A4. Also, vanity fees have not escalated significantly since inception, but an assumption could be made for each payment amount, R(n), to escalate at a rate of, say, 33% for each successive 10-year renewal. If R(0) were to be assumed to be $15 today, then it would follow that R(1) would be approximately $20, R(2) $27, R(3) $36, R(4) $48, and so on.

A5. Combining the initial and successive payments amounts to a series solution. $P_{total} = \sum R(n)/(1.04)^n$ for n = 0, 10, 20, 30, and 40. Solving this expression for the initial fee and four successive renewals at escalated amounts, P_{total} = $15 + $13.51 + $12.32 + $11.10 + $10.00. Using this approach for the entire example period, P_{total} would equal $61.93.

A6. I believe the above offers a straightforward solution to the cost of a lifetime vanity

license grant. In the past it has not been uncommon for vanity licensees to request

several vanity grants. A new fee could be assessed for any changes once a lifetime vanity

grant is issued.

Respectfully Submitted,

W. Lee McVey
3 Squires Glenn Lane
Leeds, AL 35094-4564
December 23, 2012

W6EM
PG-12-19879